

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

TRUE RELIGION APPAREL, INC.; GURU DENIM,
INC.,

Plaintiffs,

v.

XIAOKANG LEI D/B/A
TRUERELIGIONJEANS4OUTLET.COM; LIN
JIANYU D/B/A
TRUERELIGIONJEANSOUTLET8.COM; ZHAO
YANG QU D/B/A TRUERELIGION2CHEAP.COM,
et al.,

Defendants.

CIVIL ACTION NO. _____

**[FILED UNDER SEAL PURSUANT
TO 15 U.S.C. § 1116]**

**DECLARATION OF DEBORAH E. GREAVES, ESQ. IN SUPPORT OF PLAINTIFFS’
EX PARTE APPLICATION FOR A TEMPORARY RESTRAINING ORDER,
ORDER TO DISABLE CERTAIN WEB SITES, ASSET RESTRAINING
ORDER, EXPEDITED DISCOVERY ORDER AND ORDER
TO SHOW CAUSE FOR PRELIMINARY INJUNCTION**

I, Deborah E. Greaves, Esq., of full age and under penalty of perjury, declare and say:

1. I am the Secretary and General Counsel for Plaintiff TRUE RELIGION APPAREL, INC., and also the Secretary and General Counsel for Plaintiff GURU DENIM, INC. (collectively, “True Religion” or “Plaintiffs”), both with a primary office at 2263 E. Vernon Avenue, Vernon, CA 90058. Among other duties, I am responsible for overseeing the protection of True Religion’s intellectual property rights and pursuing infringers and counterfeiters of True Religion trademarks and products. I am very familiar with the quality and characteristics of genuine True Religion products, including jeanswear, sportswear, accessories

and other products (the “True Religion Products”) bearing True Religion’s well-known, federally registered trademarks described below.

2. I submit this declaration in support of True Religion’s *ex parte* Application for a Temporary Restraining Order, Order to Disable Certain Web Sites, Asset Restraining Order, Expedited Discovery Order and Order to Show Cause for Preliminary Injunction against Defendants Xiaokang Lei d/b/a truereligionjeans4outlet.com; Lin Jianyu d/b/a truereligionjeansoutlet8.com; Zhao Yang Qu d/b/a truereligion2cheap.com, *et al.* (collectively, “Defendants”).

3. If called upon as a witness, I could testify as to all facts set forth in this declaration from my personal knowledge and/or my review of True Religion files.

THE TRUE RELIGION BRAND AND MARKS

4. The TRUE RELIGION brand was founded in 2002, by entrepreneur Jeffrey Lubell when he sought to redefine the premium denim category. Mr. Lubell’s vision was to make quality, American-made, authentic, timeless, great fitting, 1970’s inspired jeans, with a trendsetting appeal for today’s consumer. Today, True Religion is known not only for its premium jeanswear, but also for its knit and woven sportswear, such as t-shirts, western shirts, sweatshirts and sweatpants that all have a vintage feel. Mr. Lubell currently serves as True Religion’s Chief Executive Officer (CEO) and Chairman of the Board of Directors.

5. Among the most well-known and popular of the True Religion Products are its iconic True Religion brand jeans bearing True Religion’s famous logo (the “TRUE RELIGION Design Label”):



True and correct representative photographs of genuine True Religion Products are attached hereto as **Exhibit A**.

6. True Religion Products have become known for their distinctive styles and high-quality materials and workmanship. True Religion Products are regularly the subject of much unsolicited, laudatory press coverage in various media, including editorial coverage in fashion and lifestyle magazines such as *Vanity Fair*, *People*, *Lucky*, *US Weekly*, *Nylon*, *Women's Wear Daily*, *Vogue*, and *In Style* in addition to numerous magazines in several other countries worldwide.



7. Genuine True Religion jeanswear and many of the other True Religion Products are manufactured in the United States.


8. True Religion maintains strict quality control standards for all of its True Religion Products. Genuine True Religion Products are inspected and approved by True Religion or its agents prior to distribution and sale.

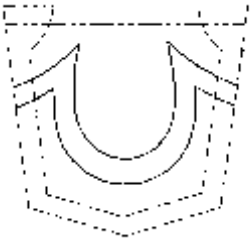


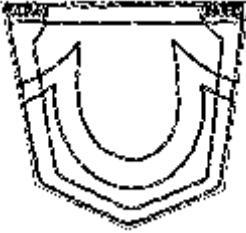
9. Genuine True Religion Products are distributed in over 100 True Religion owned boutiques in the United States, as well as in Canada, Japan, Germany and the United Kingdom and through True Religion's Internet web store located at www.truereligionbrandjeans.com (the "True Religion Web Store"), which it launched in 2003. Genuine True Religion Products are also distributed through a worldwide network of authorized licensees, distributors, and retailers, including high-end department stores such as Neiman Marcus, Nordstrom, Saks Fifth Avenue and Bloomingdale's and numerous high-end specialty boutiques.

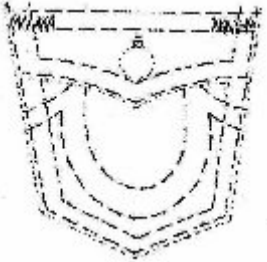
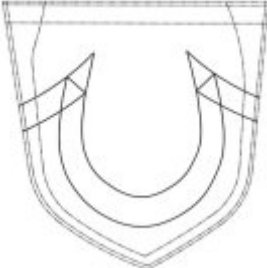


10. The True Religion Web Store features True Religion's proprietary images and designs, including proprietary images of the True Religion Products. True Religion has devoted and continues to devote a great deal of time and resources to creating these images and designs as part of its seasonal ad campaigns and to maintaining its True Religion Web Store. Attached hereto as **Exhibit B** are a sampling of true and correct proprietary images True Religion has used in connection with its True Religion Web Store. The True Religion Web Store features music, video, and regular updates from True Religion's Facebook page (which is "Liked" by over 520,000 fans) and Twitter feed (which is "Followed" by more than 11,000 fans). The True Religion Web Store is extremely popular, enjoying more than 500,000 unique visitors per month. A significant number of True Religion Products are sold through the True Religion Web Store.


11. True Religion is the owner of a well-established family of famous trademarks,

including, *inter alia*, TRUE RELIGION, , , and  (collectively, the "TRUE RELIGION Marks"), for use with its collection of jeanswear, sportswear, accessories and other products and services. True Religion is the owner of numerous federal trademark and service mark registrations with the United States Patent and Trademark Office ("USPTO") for the TRUE RELIGION Marks, including, *inter alia*, the following federal registrations:

Registration Number	Trademark	Goods and Services
2,917,187		LABEL FOR CLOTHING, NAMELY, MEN'S, WOMEN'S, AND CHILDREN'S PANTS, SLACKS, JEANS, SHORTS, OVERALLS, SHIRTS, T-SHIRTS, BLOUSES, VESTS, SKIRTS, JACKETS, SWEATERS, SWEATSHIRTS, SWEATPANTS, AND HATS, CLASS 25.

Registration Number	Trademark	Goods and Services
3,162,615	TRUE RELIGION	ON-LINE RETAIL STORE SERVICES FEATURING CLOTHING; RETAIL STORE SERVICES FEATURING CLOTHING, CLASS 35.
3,120,798	TRUE RELIGION BRAND JEANS	ON-LINE RETAIL STORE SERVICES FEATURING CLOTHING; RETAIL STORE SERVICES FEATURING CLOTHING, CLASS 35.
3,147,244		PANTS, JEANS, JACKETS, SHORTS AND SKIRTS, CLASS 25.
3,482,001		CLOTHING, NAMELY, MEN'S, WOMEN'S, AND CHILDREN'S PANTS, JEANS, SHORTS, OVERALLS, SHIRTS, T-SHIRTS, BLOUSES, VESTS, SKIRTS, JACKETS, COATS, SWEATERS, SWEATSHIRTS, SWEATPANTS, HATS, BELTS AND SHOES, CLASS 25.
3,490,283		PANTS, JEANS, SHORTS, OVERALLS, SHIRTS, T-SHIRTS, VESTS, SKIRTS, JACKETS, SWEATSHIRTS, SWEATPANTS, DRESSES, HOODED SWEATSHIRTS, TOPS, BLOUSES AND FOOTWEAR, CLASS 25.
3,561,465		PANTS, JEANS, CLASS 25.

Registration Number	Trademark	Goods and Services
3,561,466		PANTS, JEANS AND JACKETS AND SHORTS, CLASS 25.
3,561,705		APPAREL, NAMELY, JEANS, PANTS, SKIRTS, SHORTS, JACKETS, CLASS 25.
3,561,710		APPAREL, NAMELY, JEANS, PANTS, SKIRTS, SHORTS, HATS, FOOTWEAR, CLASS 25.
3,607,799		BATHING SUITS, BATHING TRUNKS, BEACHWEAR, BIKINIS, BLOUSES, BOOTS, CAPS, COATS, DRESSES, FOOTWEAR, HATS, HEADWEAR, JACKETS, JEANS, NECKWEAR, PANTS, SANDALS, SCARVES, SHAWLS, SHIRTS, SHOES, SHORTS, SKIRTS, SNEAKERS, SWEAT PANTS, SWEATSHIRTS, SWIMWEAR, T-SHIRTS, TOPS, TANK TOPS, VESTS, CLASS 25.

Registration Number	Trademark	Goods and Services
3,978,250		ADVERTISING VIA ELECTRONIC MEDIA AND SPECIFICALLY THE INTERNET; ON-LINE RETAIL STORE SERVICES FEATURING APPAREL, FOOTWEAR AND FASHION ACCESSORIES; WHOLESALE AND RETAIL STORE SERVICES FEATURING APPAREL, FOOTWEAR AND FASHION ACCESSORIES, CLASS 35.

All of the TRUE RELIGION Marks are valid, subsisting, unrevoked, and uncanceled. In addition, True Religion has developed common law rights in the aforementioned marks. True and correct copies of all of the federal trademark registrations for the TRUE RELIGION Marks are attached as **Exhibit A** of the Complaint, filed herewith.



12. The TRUE RELIGION Design Label, , which is the subject of Federal Trademark Registration 2,917,187, also constitutes copyrightable subject matter and has been registered with the United States Copyright Office, which issued its Certificate of Registration on or about February 5, 2009 (Copyright Reg. No. VA 1,698,310). The TRUE RELIGION Design Label was created by Jeffrey Lubell in 2002, who assigned the entire right in and to the work to True Religion. In addition, True Religion has applied for and received Certificates of Registration with the United States Copyright Office (Copyright Reg. Nos. TX 6,236,806 and TX 7,243,590) for the True Religion Web Store, including proprietary text, images and layout. True and correct records of these copyright registrations from the United States Copyright Office are attached as **Exhibit B** to the Complaint, filed herewith.

13. True Religion is also the owner of the entire right, title and interest in and to four (4) separate United States Design Patents: (1) Design Patent Number D547,530 for the ornamental stitch pattern applied to jeanswear, sportswear, accessories, or other products registered with the USPTO on or about July 31, 2007, (2) Design Patent Number D620,687 for pants with double stitching registered with the USPTO on or about August 3, 2010, (3) Design Patent Number 620,684 for bottom garment with double stitching registered with the USPTO on or about August 3, 2010, and (4) Design Patent Number D620,685 for bottom garment back with double stitching registered with the USPTO on or about August 3, 2010. All of the foregoing patents constitute patentable subject matter. Each of the foregoing was invented by Jeffrey Lubell, who assigned the entire right in and to each patent to True Religion. True and correct copies of the registrations for the foregoing patents are attached as **Exhibit C** to the Complaint, filed herewith.

14. True Religion displays its TRUE RELIGION Marks and True Religion Products in its advertising and promotional materials. To date, True Religion has spent millions of dollars in advertising and promoting the TRUE RELIGION Marks and True Religion Products, which has resulted in substantial sales of True Religion Products and invaluable goodwill for the TRUE RELIGION brand.

15. The continuous and broad use of the TRUE RELIGION Marks in connection with True Religion Products, as well as the prominent use of these marks in advertising and marketing, has enabled True Religion to achieve widespread fame, and has made the TRUE RELIGION Marks themselves among the most famous and widely-recognized marks in the fashion industry. Consumers, potential customers and other members of the public and fashion

industry recognize that True Religion Products bearing the TRUE RELIGION Marks originate exclusively with True Religion.

16. Consequently, True Religion has acquired and enjoys an outstanding reputation and significant goodwill associated with the TRUE RELIGION Marks on the True Religion Products, and the TRUE RELIGION Marks, along with True Religion's copyrights and design patents, are thus invaluable assets to True Religion. Given the enormous value of the TRUE RELIGION Marks, True Religion makes great efforts to combat the distribution and sale of counterfeit True Religion Products bearing the TRUE RELIGION Marks.

**ROGUE WEB SITES SELLING
COUNTERFEIT TRUE RELIGION PRODUCTS ONLINE**

17. Sales of counterfeit versions of True Religion Products bearing the TRUE RELIGION Marks ("Counterfeit Products") are enormously damaging to True Religion and the goodwill the company has built up in its TRUE RELIGION Marks. These Counterfeit Products are designed to replicate genuine True Religion Products and are passed off as such so that customers who ultimately purchase these lower-quality counterfeits are deceived into believing they are buying genuine True Religion Products. Sales of Counterfeit Products result in a loss of reputation and goodwill to True Religion and its TRUE RELIGION Marks, not to mention lost sales for True Religion.

18. True Religion has become aware that Counterfeit Products are being offered by a large number of 'rogue' Internet web sites, which are passing themselves off as authorized True Religion web sites and/or sites authorized to sell genuine True Religion Products, when in fact they have received no such authorization from True Religion. In order to deceive consumers into believing these web stores are authorized to sell genuine True Religion Products, these sites use True Religion's copyrighted images, designs and layouts taken directly from the True Religion

Web Store and otherwise invoke the look and feel of the True Religion Web Store, including by prominently displaying the TRUE RELIGION Marks on the site and/or locating the site at a domain name containing the TRUE RELIGION Marks (*e.g.*, truereligionjeansoutlet8.com and truereligionjeans4outlet.com).

19. Although True Religion has been the victim of counterfeiting before, both on the Internet and elsewhere, the size and scale of this group of Defendants' activities are beyond anything that True Religion has previously discovered. In the past few months alone, True Religion has received dozens of complaints from True Religion customers who told us they purchased what they believed were genuine True Religion Products online, only to learn when the goods arrived that they were lower-quality Counterfeit Products. These customers frequently report that the particular web site on which they purchased the Counterfeit Products looked so legitimate that they believed they were buying directly from True Religion or from an authorized seller.

20. In September 2011, True Religion retained outside investigators Vaudra, Inc. ("Vaudra") to investigate these 'rogue' True Religion web sites believed to be selling Counterfeit Products. Through investigation, including undercover buys from each named Defendant in this action (described below and elsewhere in these papers), Vaudra determined that Defendants are part of an interrelated group of counterfeiters each selling Counterfeit Products, including by operating dozens of fully-interactive 'rogue' web sites posing as authentic True Religion Web Stores (collectively defined in this action as the "Infringing Web Sites").

21. I have examined each of the Infringing Web Sites and I have determined that the True Religion Products offered on these sites are Counterfeit Products based on a number of different factors, including that: 1) True Religion jeans are manufactured in the United States and

the Counterfeit Products are being offered from China, 2) none of the Infringing Web Sites are authorized manufacturers, distributors or sellers of True Religion Products, 3) many of the alleged True Religion Products offered on the Infringing Web Sites can be identified as counterfeit based on the photographs of the products alone, and 4) the prices and quantities of the True Religion Products offered on the Infringing Web Sites indicate they are counterfeit.

22. To make absolutely certain that the True Religion Products offered on the Defendants' Infringing Web Sites are counterfeit, investigators at Vaudra were instructed to purchase a sample True Religion Product -- a pair of True Religion brand jeans -- from each different Defendant named in this action, each operating at least one of the Infringing Web Sites.

23. The Vaudra investigators have been trained to identify Counterfeit Products and to distinguish them from genuine True Religion Products. The Vaudra investigators have identified each and every one of the thirty-four (34) items received to date in the course of this investigation as being Counterfeit Products.

24. As additional verification, on or about October 27, 2011, a representative of Vaudra sent to my offices for examination four pairs of what were sold as genuine True Religion jeans, purchased in the course of this investigation from four (4) different Defendants named in this action.

25. Upon examination, I have determined that all four (4) pairs of these True Religion jeans are Counterfeit Products. I have made this determination based on a variety of reasons including, without limitation, the following:

- a. Genuine True Religion jeans are manufactured in the United States, and the Counterfeit Products were manufactured in China;

- b. the materials, textures and finishes of the Counterfeit Products are different from those of genuine True Religion Products;
- c. various stitching and construction features of the Counterfeit Products are different from those of genuine True Religion Products;
- d. the packaging included with the Counterfeit Products is different from the packaging of genuine True Religion Products; and
- e. the overall construction and quality of the Counterfeit True Religion Products is not the same as genuine True Religion Products.

True and correct representative photographs of certain of the Counterfeit Products are attached to the Declaration of Matthew Hewlett dated November 10, 2011 (“Hewlett Decl.”) as **Exhibit C**.

26. True Religion did not manufacture, inspect, package or approve the Counterfeit Products prior to sale or distribution. Defendants are in no way authorized by True Religion to sell the Counterfeit Products or to operate the Infringing Web Sites.

27. While the Counterfeit Products were designed to replicate genuine True Religion Products, and are being sold as such, the Counterfeit Products are not of the same quality as genuine True Religion Products.

28. The Counterfeit Products are so similar in appearance to genuine True Religion Products that it is likely consumers will be deceived, at least initially, into believing Defendants’ Counterfeit Products are authentic True Religion Products, especially given that these goods are being offered and sold over the Internet on ‘rogue’ web sites using pictures of genuine True Religion Products and pretending to be True Religion itself or authorized sellers of genuine True Religion Products.

29. Defendants' sales of Counterfeit Products are extremely damaging to True Religion's reputation and goodwill, as well as to its rightful market position, and without the relief requested by True Religion, Defendants' illegal activities will continue unabated and True Religion will continue to suffer irreparable harm.

30. In compliance with § 1116(d)(4)(B)(ii) of the Lanham Act, True Religion has not published or publicized the seizure requested herein.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on November 9, 2011, in Vernon, CA.


Deborah Greaves